IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number	09/688,694	Confirmation No.:	2049
Applicant	Christopher R. Lefebvre *et al.*		
Filed	October 17, 2000		
Title	METHOD AND SYSTEM FOR RETAINING CUSTOMER LOYALTY		
TC/Art Unit	3622		
Examiner:	Boveja, Namrata		
Docket No.	47004.000062		
Customer No.	**21967**		

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REPLY BRIEF

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In response to the Examiner's Answer dated July 23, 2007, maintaining the rejection of pending claims 19, 22-29 and 32-38, Appellant respectfully submits the following reply brief.

I. STATUS OF CLAIMS

Claims 19, 22-29 and 32-38 are pending in the application. The rejections of each of claims 19, 22-29 and 32-38 are appealed.

II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The following grounds of rejection are to be reviewed on appeal:

1) The rejection under 35 U.S.C. § 103(a) of claims 19, 22-29 and 32-38 based on U.S. Patent No. 5,822,410 to McCausland *et al.* ("McCausland") and Gasner, Steve, "Forging a Link Between Retention and Profits," Credit Card Management, New York, April 1992, Vol. 5, Iss. 1, pp. 84-88 ("Gasner").

III. ARGUMENTS

A. The Examiner's Answer Fails to Show that McCausland or Gasner Teach Each and Every Limitation of the Claimed Invention

The Examiner's Answer fails to address a critical point regarding the deficiency in the proposed McCausland/Gasner combination. Neither reference teaches the claimed steps of "***identifying the request as a request type from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation;" "identifying the customer as a customer segment, at a customer segment module, where the customer segment identifies the customer's past behavior;" "identifying one or more incentives, at an incentive module, ***based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives***;" and "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider;" "***wherein the steps of identifying the request as a request type, identifying the customer as a customer segment and identifying one or more incentives are performed in response to the step of receiving a request from a customer***;" and "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***," as recited in claim 19.

For the limitation directed to "***identifying the request as a request type from a list of predetermined request types***, at a type module, where the request type identifies the customer's current situation," the Examiner's Answer relies on column 8, lines 49-lines 54 and Table 2 of McCausland. *See* page 10, Examiner's Answer mailed July 23, 2007. However, McCausland fails to properly identify at least this claim limitation. For example, column 4, lines 17-22 of McCausland states that "*potential* customer problems…are data item categories from database

42...that are *likely to indicate* a problem the customer *may* be having." Furthermore, Table 2 of McCausland is not a list of predetermined request types, but rather a list that is "scored using thresholds set by the system administrator" to assist "potential customer problem factors to be predictive." In other words, the items in Table 2 is, at a best, a list of symptoms that are scored to point to and predict a *likely potential problem.* This is clearly distinguishable from actually *identifying* the request as a request type as claimed. Column 9, lines 22-54 of McCausland further indicates that a system administrator, rather than a computer implemented scheme finds the potential problems. Therefore, the detail records which refer to whether or not calls have been dropped, call durations, feature usage, called parties, *etc.*, merely refer to situations where the administrator seeks to find resolution, not an actual identification of a request type. In addition, Figure 11 fails to illustrate any ability ***to identify the request as a request type from a list of predetermined request types***. In fact, there is no possible data field for this feature. Therefore, McCausland fails to properly address the ability to identify the request as a request type by a computer implemented method as claimed.

For the limitation "offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request, wherein the request is a request to terminate a relationship with the provider," the Examiner's Answer points to column 11, lines 40-46, column 12, lines 42-52, and Table 2 and purports that Appellant's argument that "a customer either allows a contract to lapse thereby automatically terminating the contract or the customer will sign up for another term" is "true," but asserts that it is "not complete" and "not exhaustive." *See* page 10, Examiner's Answer mailed July 23, 2007. The reason alleged by the Examiner's Answer is that "a customer of a cell phone company frequently calls the provider when his contract is about to end to seek out a better deal, gain information on new contracts,

and to prevent being automatically being locked into a new contract without have the opportunity to shop around" and "customers also call to cancel their contract to move to different providers while keeping the same mobile numbers." *See* page 10, Examiner's Answer mailed July 23, 2007. However, these explanations alleged in the Examiner's Answer are wholly unsupported. If fact, nowhere in McCausland are any of these explanations discussed or referenced. McCausland simply does not address at least these claimed features. Therefore, McCausland fails to properly address that the request is a request to terminate a relationship with the provider as claimed.

For the limitation "identifying one or more incentives, at an incentive module, based on the request type, the customer segment and one or more profitability factors associated with the provider of the one or more incentives," the Examiner's Answer alleges that McCausland teaches this limitation in "free minutes or a free battery pack." *See* pages 10 and 11, Examiner's Answer mailed July 23, 2007. However, the incentives of McCausland are not based on a combination of the request type, the customer segment and one or more profitability factors. In fact, there is no disclosure in McCausland that supports the Examiner's Answer's baseless conclusions. Rather, McCausland clearly states that task 194 derives "an offer value using the customer worth for this customer/unit." See column 13, lines 57-58. Thus, there is no mention of basing an incentive on the <u>combination</u> of the request type, the customer segment and one or more profitability factors.

Even assuming, for the sake of argument, that the McCausland teaches the combination of these elements for determining an incentive, McCausland fails to teach the sequence of these features in determining an incentive. The Appellee acknowledges this deficiency in the Examiner's Answer by specifically requesting that "if the [Appellant] intended to claim that first

an incentive is determined based on the request type, the list of potential incentives is filtered based on customer segment, and thirdly the list is filtered based on one or more of the profitability factors, the [Appellant] needed to have claimed the sequence of steps." *See* page 10 and 11, Examiner's Answer mailed July 23, 2007. However, Appellant points out that the requested sequence is already recited in the claimed invention. In fact, each of the steps identified by the Examiner's Answer refers to the previous step. For example, identifying the request as a request type from a list of predetermined request types is based on the "request from a customer" and "where the request type identifies the customer's current situation," identifying a customer segment, at a customer segment module, refers to past behavior that is based on "the customer who put in the request," and identifying one or more incentives, at an incentive module, is "based on the request type, the customer segment and one or more profitability factors." Therefore, McCausland fails to teach this sequence of steps clearly presented in the claimed invention. Furthermore, the fact that Appellee appears to indicate that this sequence is as novel and unique by requesting such a sequence be claimed clearly shows the deficiency of McCausland in teaching at least this critical feature. Thus, the Examiner's Answer has not properly addressed at least this claim limitation.

The disclosure of McCausland, rather, is directed to determining churn likelihood. In other words, McCausland is directed to a predictive tool that performs calculations to determine the likelihood of future events that may or may not actual occur. In contrast, the claimed invention identifies a request type, identifies a customer segment and identifies incentives *in response to a request from a customer*. Therefore, McCausland fails to disclose at least the limitation "wherein the steps of identifying the request as a request type, identifying the

customer as a customer segment and identifying one or more incentives are performed *in response to the step of receiving a request from a customer*."

B. Gasner Fails to Cure the Deficiencies of McCausland.

Acknowledging the deficiencies of McCausland, the Examiner's Answer relies on a secondary reference, the Gasner article. McCausland admittedly fails to disclose at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." *See* pages 3-5, Examiner's Answer mailed July 23, 2007. For this deficiency, the Examiner's Answer relies upon the Gasner article's general discussion of retaining existing customers for bank card issuers. *See* Abstract, Gasner. The purpose of the Gasner article is to discuss "how statistical modeling can lead to portfolio profit optimization." The Gasner article fails to meet any of the deficiencies discussed above. Accordingly, the combination of the McCausland and the Gasner article fails to address each and every claim limitation of independent claim 19.

C. The Examiner's Answer Fails to Present a Prima Facie Case of Obviousness for Combining McCausland and Gasner

The Examiner's Answer has failed to provide a *prima facie* case of obviousness for combining McCausland and Gasner. Rather, the Examiner's Answer alleges that it would have been obvious to a person of ordinary skill in the art at the time of Appellants' invention to modify McCausland "to include providing products offered by a financial institution as retention incentives ***if*** McCausland's method was implemented to solve the retention problem for a financial services company ***instead*** of a cellular company. *See* page 5, Examiner's Answer mailed July 23, 2007 (emphasis added). Therefore, the alleged "motivation" relied upon by the Examiner's Answer is based on *if* McCausland's method for establishing rules for predicting the likelihood of churn in the cellular phone industry churn was implemented in a financial services

company *instead.* However, the Examiner's Answer has failed to explain why one of ordinary skill in the art would have been motivated to make the proposed substitution, absent improper hindsight.

The rejection of independent claim 19 over McCausland and the Gasner article is a classic example of hindsight reconstruction that is contrary to the law. The Examiner's Answer has failed to set forth a *prima facie* case of obviousness for the claims. Here, the Examiner's Answer's sole justification for modifying McCausland has absolutely nothing to do with the deficiencies of McCausland. As admitted by the Examiner's Answer, McCausland fails to show at least "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." Furthermore, the Examiner's Answer's justification for modifying McCausland is based on "*if* McCausland's method was implemented to solve the retention problem for a financial services company *instead* of a cellular company." This alleged statement to combine again has absolutely nothing to do with the deficiencies of McCausland. To properly modify McCausland to correct for these major deficiencies, the Appellee has the burden to show why providing those elements would have overcome some perceived problem with McCausland. The Examiner's Answer has noted that "the function of both the McCausland and the Gasner references is to retain customer loyalty similar to the function of the [Appellant's] proposed invention,...incentives are typically based on the product or service at hand to make that product of service cheaper and therefore more attractive to the consumer,...both of the prior art references and the [Appellant's] proposed invention seek to offer incentives to make the product or service cheaper or more attractive to the customer." *See* pages 12, Examiner's Answer mailed July 23, 2007. Not only are these statements unsupported in McCausland or Gasner since they are nowhere to be found in the references, they also fail to indicate the deficiencies of

McCausland for which Gasner allegedly cures. Comparing the alleged likeness of the references to the claimed invention merely contributes to Appellant's contention that Appellee's combination is based on improper hindsight reconstruction.

Even assuming, for the sake of argument, that the McCausland and the Gasner article could be modified as suggested by the Examiner's Answer, the resulting combination would nevertheless fail to show each and every limitation claimed by Appellants. More specifically, any combination of McCausland and the Gasner article still fails to disclose "***wherein the one or more incentives comprises at least one product or service offered by a financial institution***." Thus, the Appellee has clearly failed to reach the initial burden in providing proper motivation for modifying McCausland. As a result, since the Office has failed to present a *prima facie* case of obviousness for a proper rejection under 35 U.S.C. § 103, the purported modification fails.

Claim 29 contains similar limitations to claim 19 and is therefore allowable for at least the above reasons. Dependent claims 22-28 and 32-38 are dependent upon either independent claims 19 or 29. Therefore, in view of the foregoing, claims 22-28 and 32-38 are allowable for at least the reasons above with reference to claims 19 or 29.

IV. CONCLUSION

Appellant submits that the pending claims are allowable over the cited references. Accordingly, Appellant respectfully requests that the Board reverse the prior art rejections set forth in the Action. Appellant respectfully submits that no other fees are required in connection with this request. However, in the event it is determined that a further fee is necessary to maintain the pendency of this application, the Commissioner is hereby authorized to charge or credit the undersigned's deposit account number 50-0206.

Respectfully submitted,

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